

COMMANDEERING BUYING
POWER 55

It is a commonplace of political theory that the Government has a right to take the whole of the property and the whole of the labour of its citizens. But it would not, of course, have been possible for the Government immediately to inaugurate a policy of setting everybody to work on things required for the war and paying them all a maintenance wage. This might have been done in theory, but in practice it would have involved questions of industrial conscription, which would probably have raised a storm of difficulty. What the Government might have done would have been by commandeering the buying power of the citizen to have set free the whole industrial energy of the community for supplying the war's needs and the necessities of life. At present the national output, which is only another way of expressing the national income, is produced from certain channels of production in response to the expectation of demand from those whose possession of claims to goods, that is to say, money, gives them the right to say what kind of goods they will consume, and consequently the industrial part of the population will produce.

Had the Government laid down that the whole cost of the war was to be borne by taxation, the effect of this measure would have been that everything which was needed for the war would have been placed at the disposal of the

Government by a
reduction in spending on the part of
those who have
the spending power.* In other words, the
only process required would have been the
readjustment of
Industrial output from the production
of goods